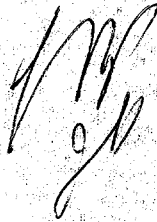


14 APR 1961

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Mr. Andrew E. Ruddock, Director
Bureau of Retirement and Insurance
United States Civil Service Commission
Washington 25, D. C.



Dear Mr. Ruddock:

In respect to your letter dated March 24, 1961 relative to the conclusions reached by the Bureau regarding the "open season" for health benefit enrollment actions and other matters pertaining to the Health Benefits Program, I have only one comment. My comment, further, is made as a matter of principle in as much as I have no need to invoke any action on this subject at the present time.

My comments are directed to paragraph 4 of the Staff Paper which comes to the conclusion that no tapping of reserve for any plan may be made at the present time. This seems contrary to the testimony given for the House Post Office and Civil Service Committees. During the hearings on the Health Benefit Act, it is my distinct recollection that these reserves were credited to individual plans and could be used by individual plans as the circumstances warranted regardless of the needs of any other plan.

As I said before, I merely make this comment as a matter of principle and I do not need to tap the reserve. At present ratings, our plan seems to be very solid. I would not, however, like to have this problem set up as a precedent.

Very truly yours,



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